

Director: Fidelis V. Garcia

JLBC Analyst: Tyler Palmer

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	138.8	138.8	144.8	144.8
Personal Services	5,082,900	5,205,000	5,736,100	5,563,200
Employee Related Expenditures	1,700,000	2,046,700	2,293,500	2,147,600
Professional and Outside Services	139,700	245,400	254,800	245,400
Travel - In State	384,100	505,100	505,100	505,100
Travel - Out of State	8,500	11,800	11,800	11,800
Other Operating Expenditures	1,227,600	1,473,500	1,792,900	1,790,600
Equipment	62,200	60,300	204,500	60,300
OPERATING SUBTOTAL	8,605,000	9,547,800	10,798,700	10,324,000
SPECIAL LINE ITEMS				
Incentive Pay	113,500	113,500	113,700	113,700
Information Management System	0	0	3,683,000	506,500
Office of Administrative Hearings Costs	882,200	964,300	1,002,300 ^{1/}	964,300 ^{1/}
AGENCY TOTAL	9,600,700	10,625,600	15,597,700^{2/3/}	11,908,500^{2/}
FUND SOURCES				
<u>Other Appropriated Funds</u>				
Registrar of Contractors Fund	9,600,700	10,625,600	15,597,700	11,908,500
SUBTOTAL - Other Appropriated Funds	9,600,700	10,625,600	15,597,700	11,908,500
SUBTOTAL - Appropriated Funds	9,600,700	10,625,600	15,597,700	11,908,500
Other Non-Appropriated Funds	4,080,600	8,111,700	6,106,700	6,342,800
TOTAL - ALL SOURCES	13,681,300	18,737,300	21,704,400	18,251,300

AGENCY DESCRIPTION — The agency licenses, regulates and conducts examinations of residential and commercial construction contractors.

	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 Approved
PERFORMANCE MEASURES				
• Average calendar days from receipt of complaint to jobsite inspection	15	17	25	23
Comments: The agency reports that the increased time between the receipt of a complaint and the jobsite inspection increased due to increased numbers and complexity of the complaints received.				
• % of licensing customers indicating they received excellent service	91	91	92	93
• % of inspections customers indicating they received excellent service	88	89	89	91

^{1/} Any transfer to or from the amount appropriated for the Office of Administrative Hearings Costs Line Item shall require review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

^{2/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

^{3/} This appropriation is available for use pursuant to the provisions of A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations until June 30, 2009. (General Appropriation Act footnote)

Operating Budget

The budget provides \$10,798,700 and 144.8 FTE Positions from the Registrar of Contractors Fund for the operating budget in FY 2008 and \$10,324,000 and 144.8 FTE Positions for FY 2009. These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$360,600 from the Registrar of Contractors Fund in FY 2008 and an increase of \$30,100 in FY 2009 for statewide adjustments.

(Please see the Statewide Adjustments section at the end of this Appropriations Report for details. The annualization of these adjustments for FY 2009 will be addressed in the 2008 budget process.)

Additional Personnel

The budget provides an increase of \$464,800 and 6 FTE Positions from the Registrar of Contractors Fund in FY 2008 and \$320,600 and 6 FTE Positions in FY 2009 for 5 additional Inspector positions and 1 additional Investigator position. The FY 2008 amount includes \$144,200 in one-time equipment funding. The additional positions are intended to reduce the backlog of licensed complaints, which have risen to 2,070.

Inspector and Investigator Salaries

The budget provides an increase of \$127,600 in FY 2008 and FY 2009 to increase Inspector and Investigator salaries to reduce turnover in these positions.

Private Rent

The budget provides an increase of \$297,900 in FY 2008 and FY 2009 for rent expenses as the agency moves to new quarters.

Special Line Items

Incentive Pay

The budget provides \$113,700 from the Registrar of Contractors Fund for Incentive Pay in FY 2008 and FY 2009. These amounts fund the following adjustment:

Statewide Adjustments

The budget provides an increase of \$200 from the Registrar of Contractors Fund in FY 2008 and FY 2009 for statewide adjustments.

Monies in this line item are used to provide funding for an agencywide Incentive Pay Program. The program was established in 1995 to reward employees for outstanding performance. The Registrar of Contractors maintains performance measures to determine how employees influenced by the incentive program have improved their customer service.

Information Management System

The budget provides \$3,683,000 from the Registrar of Contractors Fund in FY 2008 and \$506,500 in FY 2009 to implement a new Information Management System. The replacement project consists of new software applications, new computer hardware and operating software, new telecommunications switches and routers, and a new telephone system.

Office of Administrative Hearings Costs

The budget provides \$1,002,300 from the Registrar of Contractors Fund for Office of Administrative Hearings Costs in FY 2008 and \$964,300 in FY 2009. These amounts fund the following adjustments.

Statewide Adjustments

The budget provides an increase of \$38,000 from the Registrar of Contractors Fund in FY 2008 for statewide adjustments.

Monies in this line item are transferred from the Registrar of Contractors to the Office of Administrative Hearings for services provided by the Office of Administrative Hearings.